The Arguments *and* Reaſons *for and againſt Engrafting upon the* BANK of England *with Tallies, &c. As they were Debated in a late General Court of the ſaid* BANK, *Conſidered, in a Letter to a Friend.*

SIR,

I AM Favoured with yours, wherein you ſay you have the greateſt part of your Fortune in the *Bank of England*, and therefore you deſire my Thoughts, whether Engrafting upon the ſaid *Bank* with all Tallies on Parliamentary-Funds, and one Third part or more Bank-Notes, Bills, or Money, will be for the Service of the Government and Intereſt of the preſent Proprietors of the *Bank?* Becauſe you ſay the greateſt part of the General Court on *Monday* the Third of *January*, ſeemed to you ſo willing to be Engrafted upon on thoſe Conditions drawn up by the Committee, and then Read, and Agreed to by that General Court.

I ſhall firſt give you an Account of the Arguments and Reaſons uſed by thoſe Gentlemen that would have the *Bank* Engrafted upon with Tallies, Bank-Bills, or Notes; and then my Anſwers to thoſe Arguments and Reaſons, which I ſhall do with all the brevity and clearneſs I can.

Firſt, They ſay the *Bank* will be thereby made capable to ſerve the Publick, and

Secondly, That it will be for the Intereſt and Advantage of the *Bank* to make good their firſt Argument or Propoſition that the *Bank* will be thereby enabled to ſerve the Publick; They ſay, That the great Advantages made by the buying of Tallies hinders every Man that hath Money both from Lending it to the Government, and alſo keeps it out of Trade, as finding it more for his Profit, than by diſpoſing of it in either of thoſe other ways.

And therefore while Tallies are ſold at this vaſt Diſcount, no Body will Lend their Money to the King; and but few will Employ it in Trade.

Both which great Evils, they ſay, will infallibly be remedied, if all Tallies now out on Parliamentary-Funds were ſunk or lodged in the *Bank of England*; becauſe then there would be no Tallies to be ſold, and therefore People not having ſuch Opportunities to lay out their Monies in Tallies would neceſſarily Lend it to the Government, employ it in Trade themſelves, or Lend it to others that would ſo employ it.

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I take this to be the ſtrength and force of their Reaſons to make good their firſt Propoſition.

To which I anſwer, That if the *Bank of England* were in a condition to take in all thoſe Tallies at *par*, and give the Owners Money for them as formerly, that then indeed it would have the ſame effect it formerly had, and what is now by ſome Perſons ſuppoſed it will have.

But I think the method propoſed is very different from that, for now we ſhall give the Owners of thoſe Tallies no Money for them, nor any thing they can uſe inſtead of Money, only a proportionable Share of Bank-Stock; that by this means, they will be then as bare of Money as they were before they parted with their Tallies.

And if it be conſidered what hath been and is yet the greateſt Reaſon why Men ſell their Tallies at ſo great a loſs to themſelves and advantage to the Buyers, we ſhall find it was and is ſtill the real want either of Money or Bank-Notes to pay their Debts, or carry on their reſpective Trades, together with the great number of Tallies, and Men that are in this want of Money or Notes.

And not becauſe they believed thoſe Tallies they had would never be paid, but that their Occaſions would not permit them to keep them 'till they could be paid.

For it cannot be ſuppoſed that there are many People having Tallies, who have ſo ill an Opinion of Parliamentary-Funds, and the Care and Juſtice of thoſe that are the proper Maintainers of their Rghts.

Now ſuppoſe that ſuch an Engrafting as is already mention'd was reſolv'd on, an Act of Parliament accordingly paſt for it, and all thoſe Millions in Tallies lodged in the Bank, pray how would this remedy the Evils we labour under, with relation to Credit, want of Loans to the King, and the carrying on of our Trade?

For tho' the Name will be changed, the Thing will not nor the Perſons who had the Tallies.

The Tallies indeed will be no more theirs but the Banks, and ſo they will have no Tallies to ſell, but inſtead of Tallies they will have Bank-Stock to ſell, which they muſt now be forced to part with at any rate, as before they were with their Tallies.

For Changing Tallies into Bank-Stock, will neither ſupply nor leſſen their Occaſions for Money, but encreaſe them.

And then their want of Money being as preſſing as before, they muſt uſe the ſame means for their ſupply they did before; that is, ſell their Bank-Stock now, as before they did their Tallies.

And when there is as great a quantity of Bank-Stock to ſell, as there were before of Bank-Stock, Bank-Notes and Tallies together, I ſee no reaſon why Bank-Stock will not be ſold cheaper or to greater loſs than Tallies have been.

Nay

Nay I conceive there will be far greater occaſion to ſell their Bank-Stock, than they had before to ſell their Tallies.

Becauſe it is propoſed, That thoſe that put their Tallies into the *Bank*, ſhall at the ſame time, together with their Tallies, pay in one third part in Bank-Bills or Notes.

Which Method of paying into the *Bank* one Third part in Bank-Bills or Notes, will unavoidably occaſion to the New Subſcribers a much greater want of Money, Bank-Bills, or Notes, than they were in before they parted with their Tallies; for when they had their Tallies, tho' they were uſeleſs in Trade, yet the Money, Bills, or Notes they had, enabled them in ſome meaſure to carry it on; but when that which perhaps is all the means they have left to drive their Trades with, ſhall be alſo ſunk into the *Bank* and become uſeleſs to them; I cannot ſee but it will occaſion a great Diſorder, and put a terrible ſtop to our Trade.

Which as it is the Life of this Kingdom, ſo it ought to be regarded with all imaginable care and tenderneſs.

And on the other hand except 1200000 *l.* in Bank-Bills or Notes be paid into the *Bank* by the New Subſcribers, it cannot in any meaſure anſwer the end aim'd at, which is immediately to reſtore the Credit of the *Bank*.

For the Subſcribing of Tallies without 1200000 *l.* or near that Sum in Bank-Bills or Notes, will indeed ſink the price of Stock, to the great detriment of the preſent Proprietors, and deprive them alſo of almoſt all the future Advantages they may reaſonably expect from the Trade of the *Bank*, when it recovers its Credit again, but can neither bring their Bills or Notes into Credit, nor render them capable of aſſiſting the King with Loans. What will then be the Conſequence?

It will certainly be this, That as their occaſions for Money are grown more urgent, ſo their Neceſſities for ſelling muſt encreaſe proportionably.

The natural Effect will be this, that there being abundance of Stock to ſell, and many Sellers, it will neceſſarily and exceedingly ſink the price of it.

And when the price of Bank-Stock is ſunk ſo low, that it will be more profitable to buy than Tallies have been heretofore. Will not every Monied Man think it for his Intereſt to lay out his Money in that as he did before in Tallies, rather than Lend it to the King, or employ it in Trade for a much leſs Advantage?

But further, This intended Engrafting will (as hath been hinted before) ſink into the Bank at leaſt Twelve hundred Thouſand Pounds in Money, Bills, or Notes; the greateſt part of which is now employ'd in Trade in and about this City: And it is apparent, that the Trade in this City could not be managed without the help of Bank-Bills and Notes, notwithſtanding the Diſcſteem and Undervalue ſome People are pleaſed to put upon them. This is evident and demonſtrable by the Bank-Books, where there is (as I am in-

form'd) every Week near Three hundred Thousand Pounds, transferr'd from one Account to another. So that it seems clear to me, That if all these Bills and Notes which now serve us in Trade, were taken out of Trade, and lodged in the Bank, and the Owners of those Bills and Notes had nothing useful in Trade in their room, as is evident they are not like to have, it would unavoidably, in my poor Opinion, occasion a great Disorder amongst us.

I would gladly be informed what we must drive our Trade with when all Tallies, Bank-Bills and Notes, and Goldsmiths Notes are sunk, and we have nothing left us but a very little Money, which will be then a dearer Commodity than ever we have yet seen it.

And when almost all the Personal Estates in the Kingdom are sunk, or turn'd into Bank-Stock, I fancy those that have Money may purchase Stock at any rate they please.

To what I have now said about Bank-Bills and Notes being sunk into the Bank it will probably be objected, That the Bank will issue out their Bills and Notes again: But then I would fain know, for what they will give them out? They will not give out their Bills for nothing, they will have Money or something equivalent for them; and if People have that to give them, then they may have their Bills or Notes.

But when all their Tallies, Bank-Bills and Notes are sunk I know not what they will have to give the Bank in Exchange for their Money, or for their Bills and Notes.

You will say, The Bank will have a great Revenue flowing into them Weekly; and with that Money they will discount Bills and Notes, and lend upon Pawns and Mortgages.

It is true, they may do so; but if that be all our help, our Trade that requires vast Sums must miserably suffer, languish and decay.

But, Sir, for my part I shall be for taking out my share of Principal and Interest, as it comes into the Bank, and not let it lie there to Trade with; and I am perswaded most Men will be of my Mind therein, for these two following Reasons.

First, The Profit the Bank can make cannot be great; and when that which it doth gain comes to be divided into so many Shares, as there will be then, there will not be one half *per Cent. per Annum* Profit; for which, no Man will think it worth his while to let his Money, or any part of it lie in the Bank. And,

Secondly, Every Body will be so necessitated for Money to carry on their Trades, that they will choose to employ it in Trade, rather than in the Bank to so little Advantage.

Now, Sir, if this Design for Engrafting should go on, and should miscarry either by Peoples declining to subscribe Three Millions and Six Hundred thousand Pounds, by which Means, or by failure whereof all the Subscriptions short

of

of that Sum become void; or else, that tho' it should be full Subscribed, yet if it should fail of answering the Ends aimed at: Then I say, in either of these Cases, the King will be disappointed, and the Credit and Trade of the Nation in as bad, or a worse Condition than they are in at present.

Because both the King and Parliament, depending solely on the good Success of this Project, will neglect to make other Provision to effect that which is expected from this Engrafting. What Consequences such a Disappointment may occasion, especially if the War continues, I tremble to think of.

And for these Reasons and many more that might be alledged, had I leisure to mention them; I do conclude, That this intended Engrafting, or changing Tallies into Bank-Stock is not adviseable to be attempted; because if it be Engrafted upon it will neither procure Loans to the King, Credit to the Nation, nor bring any more Money into Trade.

And if these Reasons be as convincing to others, as they are to me, it will be every good *English* Man's Interest as well as the Nations to prevent it, and continue the Bank of *England* upon the Foot it now stands.

I shall now consider the second Proposition, That such an Engrafting will be for the Advantage of the Bank; by which they should mean the present Proprietors of the Bank, for otherwise the present Proprietors are not concern'd in the Proposition: No Body, I hope, expects they should project and contrive Advantages for other men, when those Advantages are so far prejudicial to themselves, as they are advantageous to others; I mean to such as shall come in upon new Subscriptions.

Those Persons that say the Engrafting will be for the Interest and Advantage of the Bank, endeavour to make good their Assertions by these following Reasons.

First, That all their Bills and Notes will be brought in with the Tallies, and so at once help them out of Debt.

Secondly, As a Natural Consequence of the former, their Bills and Notes will then be *par* or equal to Money for the Payment of Debts, or Bills of Exchange.

Thirdly, That being once out of Debt, and their Bills or Notes equal with Money, they may begin to Establish a new and lasting Credit.

Fourthly, That the Bank cannot otherwise recover their Credit in many Years; and that 'till their Bills or Notes go current again as *par* with Money, the present Proprietors cannot expect any Dividend either of Profit or Interest.

Fifthly, That the Parliament will grant them more and greater Priviledges, than this present Bank enjoies by their old Establishment.

Sixthly and Lastly, That in case they refuse to be Engrafted upon (then notwithstanding all their past and mighty Services done for the necessary support of the Government, and which only hath brought them into the Condition they

they are in at present) the Parliament will not show them any Favour at all, but leave them to the Mercy of their Creditors and the Severity and Extremity of Law and Justice.

So that their Refusal will expose them to an immediate, unavoidable, and irrecoverable Destruction.

As to the first, That all their Bills and Notes will be brought, *&c.* It must be granted, provided Three Millions six hundred Thoutand Pounds be subscribed, and at least one third part of it paid in Bank-Bills or Notes; for if all their Bills and Notes be brought into the Bank and Cancell'd, they will certainty be out of Debt.

As for the Second, That their Bills and Notes will then be *par*, *&c.* It must also be granted upon a Supposition of the Truth, and certainly of the first. But how long their Bills and Notes will continue to be *par*, or equal to Money, will be another Question, and is what I cannot determine. For that will depend much on the Managers of the Bank, the Loans they shall make, and the Funds and Securities on which they shall be made.

As for the Third, it is grounded upon the Two former, as being a natural Effect of them; and therefore I should grant this likewise if I had not seen a notorious Example to the contrary, and been made sensible of it by dear bought Experience.

It is well known, that till *May* last, the Bank of *England* Notes were not only esteemed equal to Money, but prefer'd much before it; and every one in this City when they sold any Goods, endeavoured to contract for Payment in Bank-Notes and not in Money: Nay, Bank-Bills were sold for Money at *half per Cent.* profit to the Seller; and every Body made use of their Friends and Interest to get their Money lodged in the Bank, and that for sundry Reasons.

As first, That Money was so diminish'd and adulterated, that none could Receive and Pay it without Trouble and Loss. And

Secondly, The Bank was esteem'd a secure Repository, not only upon account of their Credit, it had always had and preserv'd from its first Opening, but also for the great Reputation of the Managers of it, and likewise for its Fund, being setled by Act of Parliament, which is the greatest Security any *English* Man can have for his Property.

And Lastly, Because the Bank could not Lend the King any Moneys, but only upon Parliamentary-Funds, which every one might reasonably esteem as secure as his Freehold; and therefore could not be in danger of losing any part of that Money, they had so Lent, but more especially when they were careful not to Lend any Money upon Remote Funds, but such only as were given to come in a very short time; and they took in no Tallies upon any Fund beyond the Sum the Parliament gave it for, and by a Clause impowered the King to borrow.

I say,

I ſay, for theſe Reaſons every one was willing to truſt the Bank with their Money, and ſo their Bills, or Notes, became *par* or equal to Money

Now if theſe Reaſons have failed in this Inſtance, I can ſee no Cauſe why they may not alſo fail after the Bank is Engrafted upon: For I think no Man can expect, that the Bank will then be managed by Perſons better qualified than the generality of the preſent Directors, either for their Skill, Honeſty, Eſtates, or Affection to the Government.

The Bank then cannot expect a greater Credit than this hath had; nor can any pretend they ſhall have better Security, either for the Fund upon which it is Eſtabliſhed or the Funds on which they ſhall Lend their Money, except they can fancy the Security of one Act of Parliament is not equal to the Security of another Act of Parliament, or the Act of another Parliament; and ſo imagine a binding force in one Act of Parliament, that is not in another; which, I ſuppoſe, is altogether impoſſible.

So that if the preſent Bank of *England*, from a flouriſhing State, be fallen into Diſcredit, and rendred incapable of diſcharging its Debts, notwithſtanding all the good Qualities of its Managers, and Security of its Funds, People will have reaſon to fear this Bank, tho' Engrafted upon, and thereby out of Debt, may yet be liable to fall under the ſame Misfortune, and evil Circumſtances.

Upon theſe Conſiderations, and many more that might be added, I cannot believe that Engrafting upon the Bank will render its new Credit ſo infallible and laſting as is pretended, and ſuppoſed in the third Propoſition, above what it can be by continuing upon its preſent Foundation.

The Fourth is, That the Bank, upon the Foot it now ſtands, cannot recover its Credit in many Years, and that until their Bills and Notes be at *par*, the Proprietors cannot with Juſtice expect any Dividend, or Intereſt.

I ſhall firſt give you my Opinion of the latter part of this fourth Propoſition: Becauſe it will not require by far ſo much Conſideration as the former part of it.

It may be ſaid againſt this, That we have almoſt the Univerſal Practice of Men, for our Example to do the contrary: Are there not Thouſands of Men that have Tallies, and receive Intereſt upon thoſe Tallies, and yet decline paying their Debts, upon pretence that they were neceſſitated to put their Money into the Exchequer to be Recoined, and therefore cannot pay their Debts 'till the Exchequer hath repaid them their Principal; and tho' they receive Intereſt from the King, yet allow none to their Creditors.

Is it not alſo frequent for Merchants and Tradeſmen to buy Goods with ready Money; nay, and Lend Money out upon Intereſt too, and yet at the ſame time delay paying others to whom they owe Money that is become due?

Are there not daily innumerable Inſtances of Men, that Sell their Money for Bank-Notes for a Profit of Sixteen and Seventeen *per Cent.* and refuſe to pay their juſt Debts (tho' long due) in any thing elſe than thoſe Bank-Notes

they

they have with ſo much advantage purchaſed, altho' there were no Agreement at all to be paid in Bank-Notes?

Are there not abundance of Examples amongſt Landed Men that receive the Rents of their Lands and Houſes; and yet at the ſame time cannot, or will not pay their Debts?

I have only mentioned theſe things, to ſhew, that if the Bank ſhould divide their Intereſt before they can pay their Debts, or their Notes are *par*; yet they would do no worſe than moſt Men do amongſt us at this Day, who have leſs reaſon for their Excuſe than the Bank hath. Other Men give no Intereſt, but the Bank allows Intereſt to all Men that will change their Notes ſealed for Bills 'till they are in a Capacity to pay off the Principal.

Some Gentlemen in the late General Court told us how Scandalous it was that the Bank could not pay their Debts, and how unjuſt it would be to their Creditors to make any Dividends of their Profits or Intereſts 'till their Notes were at *par*: Tho' in *Auguſt* laſt, when the Bank was under the very ſame Circumſtances it is at preſent, they thought it no Crime to Lend Two hundred Thouſand Pounds, but uſed all their Rhetorick to promote the Loan of it, which they then termed a Meritorious Act.

Now what difference there is between the Injuſtice of dividing our Intereſt, and the lending ſo great a Sum upon Intereſt, when we could not pay our Debts I am yet to learn.

Thus, when it is for their turn, it is no Injuſtice to Lend, but when another End is to be ſerved it is Injuſtice to divide.

And here I muſt take notice to you, That the Bank did not lend thoſe Sums, which have incapacitated them to pay their Debts, out of any lucre of profit to themſelves, but meerly to ſerve the Neceſſities of the Government when by no other Means they could be ſupplied.

I confeſs, in my Judgment, no Man can juſtly divide, employ, or uſe his Money, or the Profits of it, or of his Lands, or Houſes 'till he hath paid all ſuch Debts as are due from him to his Creditors; becauſe that Money, or Profits, or Rents, cannot properly be ſaid to be his, but his Creditors, until ſuch time as he hath paid them what they have to demand of him.

And for this reaſon, the Bank neither have, nor intend to divide their Intereſts and Profits 'till their Notes are at *par*: Tho' it is a very hard Caſe for ſuch as have the greateſt part of their Fortune in that Stock.

And now I ſhall proceed to conſider of the former part of the fourth Propoſition, *viz.* That the Bank cannot recover their Credit in many Years, without new Subſcriptions.

This I take to be the knotticſt Point in the Queſtion; and therefore to come to a right Determination of this matter, it will be neceſſary that we firſt enquire into theſe following Particulars, *viz.* What the Bank owes; what is owing to the Bank; the Nature of the Debts due to and from the Bank; when the Debts due to the Bank are like to come in; what Money the Bank can

call

call in from its Members, and the Assistance they can give it otherwise; and lastly, what reason they have to expect all possible favour and help from the Government.

First, The Bank did owe the Tenth of *November* last, as by an Account given into the House of Commons, the Sum of One Million and nine Hundred seventy five Thousand Pounds; but it did also appear by the same Account there was owing to it the same Sum, and above One Hundred and twenty five Thousand Pounds over: So that by that Account it is evident, they have more than will discharge all their Debts as soon as it comes in.

I shall therefore consider the Nature of the Debt they owe, which is 300000 Pounds to the *Dutch*, at five *per Cent.* Interest, the rest in Bank-Bills and Notes.

The Debt to the *Dutch* will not be due of a considerable time, and 'tis probable when it falls due, the *Dutch* will be willing to continue it longer; so that the Payment of that Debt is not like to trouble the Bank in several Years, the *Dutch* having for their Security Tallies to that Value.

This Debt of 300000 Pounds being deducted they owe but 1675000 Pounds towards the Discharge whereof they have already since the Tenth of *November* paid a considerable Sum, and lessen'd that Debt near 100000 Pounds; and for Payment of the rest, they are calling in about 43000 Pounds due to them upon good Mortgages. The Interest that will be due upon their Tallies, and paid by *May* next, will be at least 70000 Pounds: They had lately in Cash and Forreign Bills of Exchange 110000 Pounds: They have upon the first of the Annuities, which will come in shortly, 140000 Pounds: They have due to them upon their Fund for the Year 1696, 100000 Pounds: They have 170000 Pounds on Coals and Culm, which its hoped will be speedily paid: They have 110000 Pounds on the Second Years Customs, which is daily coming in: They have on the Post-Office, and other Tallies, almost due 100000 Pounds: They want upon the last Tunnage 50000 Pounds; and then if they borrow of the Members at 20 *per Cent.* and not divide the 20 *per Cent.* or more gained, that will amount to 240000 Pounds: So that by this Estimate or Account, the Bank may be able in six or eight Months to pay all their Debts (that will be then due) to about 500000 Pounds.

And that Sum cannot burden them, whilst they can give out Sealed Bills with Interest for 1200000 Pounds.

Those Sealed Bills will be valued and hoarded up by every one when the Bank is in better Credit, which it will be when they are so near out of Debt, and especially while they continue to allow an Interest upon them at the Rate of *6 per Cent. per Annum*; which, I presume, they will do 'till they are able fully to satisfie every Man that may have a Demand upon them.

And when the great Obligations they have laid upon the Government, by those Extraordinary and Seasonable Services, done at sundry times, and on several Occasions, for its Support and Preservation, are considered: No Man

will doubt of the Governments kindneſs to the Bank, and their readineſs to favour and aſſiſt it all that is poſſible.

And if the Parliament ſhould think fit to make proviſion for Payment of the Tallies upon the Land-Tax, upon ſome Fund that would come in ſpeedily, the Bank would in a very ſhort time, not only be in a Condition to pay all their Debts as demanded, but be alſo able to aſſiſt the King, and Trade with Loans on as moderate Terms, and to that degree they have formerly done.

By what I have already obſerved, it ſeems clear to me, that the Bank, as it now ſtands, may be able in leſs than a Year to bring their Bills and Notes to a *par*.

The Fifth is, That the Parliament will grant them more and greater Priviledges then this preſent Bank enjoies by its old Eſtabliſhment.

I cannot foretell what the Parliament will do; be ſure they will act nothing but with great Wiſdom and Juſtice. And therefore I am humbly of Opinion, That in Conſideration of the Eminent Services this preſent Bank hath done to the Government, and by which only they are rendred unable to pay their Debts for the preſent, the Parliament will be willing to grant them any Priviledges that may put them into a Condition to regain their Credit, and make them uſeful again to the Publick.

The further Priviledges they deſire are few, and ſuch as will not prejudice any Body, at leaſt not any conſiderable number of Men. As,

Firſt, That no other Bank, or any other Conſtitution whatever, in the Nature of a Bank, be Erected or Eſtabliſhed, permitted or allow'd within this Kingdom, during the Continuance of the Bank of *England*.

Secondly, That all Forreign Bills of Exchange payable in *London* be demanded at the Bank and not proteſted by any Notary in caſe of non-payment, unleſs firſt a Demand be made there.

Thirdly, That no Act of the Corporation ſhall forfeit the Intereſt of the Corporation, or the Intereſt of the Perſons concern'd therein.

Fourthly, That the Continuance of the Bank be enlarged for the Space of a few Years, after the Determination of the preſent Corporation.

Fifthly, That the Altering, Counterfeiting, Forging all Bills, Bonds, Deeds, Wills, and all other Speciallities of what ſort ſoever, under Hand and Seal; and all Bills and Notes whatſoever, with or without Seal, made or given for the Payment of any Sum of Money, and the defacing, razing or altering any Indorſement on any ſuch Bill or Note, be made Felony without Benefit of Clergy.

That further proviſion be made for the effectual preventing the Officers of the Exchequer, and all Officers and Receivers of the Revenue, from deviating, delaying, or obſtructing the Courſe of the Payments into the Bank.

That the Eſtate and Intereſt of each Member in the Stock of the Corporation, may be made a Perſonal Eſtate.

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There ſeems nothing hard or unreaſonable in theſe Seven Articles, tho' perhaps ſome will make Objections againſt the Second; but when it is conſidered, that by that Article no Man will be obliged to truſt the Bank with his Money againſt his Will; 'tis only the Notary's trouble to make a Demand there, and that it is no unuſual thing for Forreign Bills of Exchange to be made payable at the Houſe of ſuch a Perſon, or in ſuch a Place, there will appear little weight in any thing that can be ſaid againſt it.

In *Holland* 'tis carried much higher, for there every one is oblig'd by a Law to pay his Bills in the Bank; but this the Bank of *England* doth not deſire or offer at.

If the Parliament ſhould think fit to grant theſe Priviledges to the preſent Bank, and His Majeſty would be pleaſed to appoint ſome Branches of His Revenue or Taxes to paſs through the Bank, I make no doubt, but it would immediately be in as full Credit as ever it hath been, and would ſoon be able to bring down the Price of Tallies, ſupply the King's Occaſions, and diſcount Bills of Exchange and Notes for a moderate Intereſt, to the great Encouragement of Trade.

And I am of Opinion, that there is no other Method but this that will prove effectual to cure the Evils we at preſent labour under.

If there ſhould be a large Subſcription, as five or ſix Millions added to the preſent Stock, it will not only leſſen the Price of Stock, by encreaſing the Number of Sellers and Neceſſitous People, but make the Dividends of the Profits ariſing from the Trade of the Bank ſo very little and inconſiderable, that no Man in his Wits will let his ſhare of the Income lie in the Bank to be uſed as a Stock there to Trade with one Hour if he can help it; but every one will agree as Money comes in upon their Funds, to receive every Man his ſhare immediately: and ſo every Day as the Money is divided, the Security of the Banks Creditors will grow worſe, and conſequently its Credit leſs; for it is propoſed, they ſhall have liberty to iſſue out Bills for the whole new Subſcriptions; but when Diviſions are daily made of the Principal and Intereſt, there will not remain a Fund and Security ſufficient to anſwer thoſe Bills.

Beſides, when the Trade of a Bank is a profitable thing, the Members for their own Intereſt will at any time ſupply it with Loans to ſupport the Credit; and the Managers who have uſually great Shares in it will labour hard for the Intereſt of it, not ſo much for their Sallaries as the ſake of their Stock: But as ſoon as it becomes an unprofitable thing, as it muſt needs be to the ſeveral Proprietors, when the Profits of it are to be divided into ſo many thouſand parts, or upon ſo many Millions of Stock, no Man will think it for his advantage to hazard his Money there to ſupport its Credit when it is ſo little to his own Benefit; and alſo it will then fall into Mercenary Hands, that will ſerve as Directors only for lucre of their Salleries, and other Advantages and Perquiſits ſuch Men will hope to make of their Places: And how much a Bank ſo ma-

naged will be for the Interest of the other Proprietors I leave every Man to judge.

I cannot believe that the General Court did rightly understand how little those Priviledges annexed, as Conditions to our Answer to the second Question, did concern them; they were things only to be enjoyed by the Bank, when many more Millions were added to it, and consequently Sharers of the Profits of it; for there is not one Tittle in any of them for the particular Advantage of the present Adventurers, distinctly and abstractedly considered from the intended Subscribers: So that granting the Bank by so great an addition of Stock and Income, would make more advantage than the present Bank continued as it is could be able to do.

Yet the Profits to the present Proprietors of the Bank would be apparently diminished by letting in six times their number to be equal Sharers with them, besides the Addition of so much Stock must encrease the Sellers of it, and sink its Price to the apparent Loss of those now concern'd.

Thus in my Opinion, by a mistaken Notion of the Thing, the General Court were moved so readily to give their Consent to be Engrafted upon by new Subscriptions of Tallies, *&c.* with these Conditions.

I shall come to consider the sixth and last Propolition, which indeed makes a terrible and frightful sound, and I have reason to believe there is nothing more in it.

The Parliament have given all possible Demonstration of their Zeal and Affection to His Majesty; and it was by their Advice that His Majesty engaged in this War with *France*, they promising to support him in it, which they have all along chearfully done: And can it be imagined that they will not have a great care and tenderness for the Bank for imitating their Example, by their continual Endeavours to supply His Majesty's Occasions with Money.

Indeed their Zeal for his Service hath been such, that purely for it they have extended their Credit even beyond the Bounds and Measures of common Prudence.

For when the King's Occasions for Money were pressing and urgent, and that after various Tryals and Endeavours they could not otherwise be supplied, the Bank out of an unparallel'd Affection to His Majesty, and Care for the Preservation of the Government, did not regard their own particular Safety and Interest, but Sacrificed both to the Publick Service.

And thus when they had agreed with the Commissioners of the Treasury to furnish the King with Credit in *Holland*, and to have Money to answer that Credit first paid into the Bank, the Commissioners of the Treasury not being able to give them the Money beforehand, either for want of Loans or deficiency of Funds. The Bank, tho' contrary to their Contract and Interest, did furnish them with Credit, and accepted of Tallies in lieu of Money, which the Commissioners promised they should in a very little time have Money for; so that they took those Tallies rather by way of Depolite than in full Satisfaction:

ction: And yet to this Day those Tallies which amounts to upward of 600000 Pounds, besides the 200000 Pounds on the Salt-Fund are none of them paid.

This is the true Cause of the Banks being so deeply in Debt, and so unable to pay it.

Now suppose the Bank had stifly and peremptorily insisted upon their Contract, not to give them Credit 'till they had first paid them the Money, which the Commissioners of the Treasury could not possibly do, and that His Majesty had not carried the Army into the Field, or Maintained it there: Pray what would have become of us? How dreadful that would have been to every Wise and Good Man, I leave to the Suggestions of every Considerate Man's Thoughts.

Indeed when the Bank found His Majesty so necessitated for Money, they might (as all other great Lenders do) have made a Prey of the Necessities of the Government, by some very advantageous Terms for themselves, but that was as far from their Thoughts as their Practice; and they have hitherto kept themselves clean from Extortion and Bribery, the two great Plagues of any Kingdom.

I cannot tell for which of the good Actions and Services of the Bank, it must be so severely treated (as some Gentlemen that are earnest for the Engrafting would insinuate.) That it hath not been Mercenary, or study'd only its own Profit, is apparent, by declining to make all those Advantages that they had opportunity to do ever since they were a Corporation; for immediately after they opened the Bank, they discounted such Tallies for nothing, which just before others had 10 or more *per Cent.* for; and the same Advantage the Bank might have made, had they not endeavoured to restore the Credit of Tallies more than their own particular Gain.

Their discounting of near Tallies in a short time brought the remoter Tallies; that had been sold for 25 and 30 *per Cent.* loss to a *par*, and made the King's Pay equal or better than the best of His Subjects; insomuch that His Commissioners could buy any Stores 30 *per Cent.* cheaper than they could have done immediately before the Bank was set up. Trade likewise received a wonderful benefit from the Bank, by its discounting Forreign Bills of Exchange at 3 *per Cent.* for which Goldsmiths took just before 12 and 14: Every Man that had an Inland Bill or a Note, could have Money upon it at 4½ *per Cent.* every Man could have Money upon Pawns at 5 *per Cent.* and less; they also supply'd many Gentleman's Occasions with Money upon Mortgages at 5 *per Cent.* and would have done more that way had not the Publick wanted so great Loans, which were thought more needful to be supplied than private Persons.

Now after all these and many other extraordinary and seasonable Services done by the Bank, both for the Publick and particular Persons; and not one

Crime

Crime proved upon them, it cannot enter into any Man's Thoughts, that the Parliament which is compoſed of the Nobleſt, Wiſeſt and Juſteſt Perſons of the Kingdom will not only ſhew no kindneſs to it but do ſomething to its prejudice, in caſe the Members of the Bank do not entirely ſubmit to be Engrafted upon on any Condition the Parliament ſhall think fit, notwithſtanding the preſent Proprietors believe ſuch Engrafting will not anſwer the main End aimed at, but be apparently prejudicial to their Intereſt.

And even thoſe Perſons who are no Friends to the Bank, muſt needs acknowledge that the Inability it now labours under hath been brought upon it only by thoſe Loans and Services for which they have merited the greateſt Favour from the Government.

And that others were of this Opinion as well as my ſelf, I remember in a Speech made by a Gentleman in a General Court held in *Auguſt* laſt, when the Court were deſired to Lend 200000 Pounds upon the Salt Act (at a time when we could not pay our Debts, and were almoſt torn in pieces for Money, after ſome other Perſons had endeavoured to move the Court to the Loan upon account of the extraordinary Neceſſities of the King, and the impoſſibility of being otherwiſe ſupplied) he told us, that by our giving that moſt ſeaſonable Aſſiſtance to His Majeſty we ſhould lay an Eternal Obligation on His Majeſty, the whole Court and Government; and oblige not only the preſent but all ſucceeding Parliaments, to do for us more than we could ask or think.

This and other fine Speeches, to the ſame effect, was ſo charming to the General Court, that they preſently and unanimouſly Voted to Lend what was deſired; forgetting or not conſidering, that it was equal Injuſtice to their Creditors to Lend Money as to divide their Intereſt before they could pay their Debts: But ſome Gentlemen thought it was not adviſeable at that time to put them in mind of it, tho' ſince they have with a great deal of warmth laboured to terrifie the General Court with it.

From what hath been ſaid of our Services and Sufferings for the Publick Good, I may reaſonably conclude, the Parliament will not do any thing to the Prejudice of the preſent Proprietors, but rather grant them ſuch Priviledges and Advantages as may reſtore them to their former State and Credit again; for otherwiſe both the preſent and all future Banks will be diſcouraged from ſerving the Publick at the bare Intereſt allowed by the Acts, as the Bank of *England* hath ever done; tho' it is well known many private Perſons have had very large Allowances, over and above the Intereſt, when the Government was in want of Money.

But if after all the Parliament ſhall reſolve to Engraft upon us, and thereby take from the preſent Members the greateſt part of the Profits that may hereafter ariſe from the Trade of the Bank, by dividing that amongſt many that is now divided amongſt few; I ſhould think it reaſonable the preſent Proprietors ſhould have a Conſideration or Allowance from the Nation; for whoſe Advantage they have already ſuffered ſo much, and muſt ſuffer more by an Engrafting.

It

It is known to all, as I have already obſerv'd, that when this Bank was firſt Eſtabliſh'd, Tallies upon Parliamentary-Funds were ſold at a great Diſcount, ſome at 25 and 30 *per Cent.* that Goldſmiths had 12 and 14 *per Cent.* for diſcounting Forreign Bills of Exchange, and that whoever had Money at that time could make of it almoſt what advantage he pleaſed; ſo that no Body would have been concern'd in Bank-Stock for the bare Intereſt of 8 *per Cent.* and upon Publick Security, when he might at the ſame time have as good Security, the ſame Intereſt, and 25 and 30 *per Cent.* Diſcount or Advantage over and above.

No, it was not the 8 *per Cent.* that induced any Body to Subſcribe into the Bank, but it was the Advantages they reaſonably hoped to reap over and above their Intereſt by the Priviledges granted to them by their Charter, and the Act of Parliament confirming that Charter.

And we found they had reaſon for their hopes, for that in a little time after the Bank was Eſtabliſh'd they obtain'd a mighty Credit, and made conſiderable Profits, beſides the 8 *per Cent.* Intereſt, tho' they made no Advantage by diſcounting of Tallies, and ſo brought them to *par*, and the Diſcount of Forreign Bills of Exchange from 14 to 3 *per Cent.*

Thoſe great Profits, and a juſt expectation of their Continuance and Increaſe, made every Body deſirous to buy Bank-Stock; and ſo in 18 Months after it was Eſtabliſh'd, Stock was ſold at near 110 *per Cent.* altho' at that time 60 *per Cent.* was only paid in upon the Subſcriptions. This wonderful Advance occaſioned the ſetting up of two other Banks, and made the Bank of *England* many Enemies out of Envy; for no Body but Goldſmiths, Uſurers and Extortioners were prejudiced by it, nor could give any Reaſons againſt it, but that it ſpoiled their Trades.

Now that this Eſtabliſhment was very valuable, and by every Body eſteemed ſo, is evident by what I have already obſerved to you; and I ſee no reaſon to doubt but this Bank, if it may be continued upon its preſent Foot (and have that Favour and Encouragement from the Government, as every Man muſt acknowledge, it hath abundantly deſerv'd, if the Preſervation of one Perſon by another can lay any Obligation upon the Perſon preſerved) will be able in a very little time to diſcharge all its Debts, and conſequently regain its former Credit and Eſteem, and ſo make as great Advantages, and its Stock be as valuable as it hath been at any time heretofore.

We have an Eſtabliſhment by Charter and an Act of Parliament, and we have all ſeen the admirable good Effects of it, and thoſe had ſtill continued, had we not out of our unbounded Zeal and Affection to ſerve His Majeſty's moſt urgent and preſſing Occaſions, and to ſupport the Government, ſtretch'd our Credit to a degree, that could not conſiſt with any meaſure of Prudence, nor could the Directors (in my Opinion) anſwer it to their Members, had it been for any leſs Occaſion than the Preſervation of the Kingdom.

Now that we ſhould part with the Profits of this Eſtabliſhment to others which is our Right and Property, and hath been, and is like to be again, ſo very beneficial to us, without the leaſt Conſideration allowed us for it, after we have purchaſed it with ſo much Money, run ſo great a hazard, whether it would anſwer our End or not, and taken ſo much Care and Pains to bring it to this Method and Form: I ſay, after all this to give it up to others, without the leaſt Conſideration or Advantage to our ſelves, is what I cannot underſtand nor will ever give my Conſent to.

Altho' at preſent we are under ſome diſcouragement, yet I think we are not weary of our Eſtabliſhment, nor deſirous to part with it but upon good Conſideration to our ſelves. If we are, then indeed it will be Prudence to make the Admiſſion of others as eaſie and inviting as we can.

If others will not Subſcribe to us, but to their Advantage and our Loſs, I believe every Member will think it for his Intereſt to remain as he is.

What the Parliament ſhall think fit to do with us we muſt ſubmit to, but let us not unconſtrain'd give our Conſent, nor propoſe things diſadvantageous to our ſelves.

Some ſay, that a Tally of 100 Pounds bought perhaps for 50 Pounds or leſs, is as good as 100 Pounds in Bank-Stock.

I cannot hinder any Man's Opinion, but I muſt ſay it is not mine, and if they have that good Opinion of their Tallies, let them keep them and I will keep my Stock becauſe I eſteem it better; for tho' Tallies may bring in the ſame Intereſt with Bank-Stock, yet there can be no other Advantage made with Tallies, which there hath been and may be again with Bank-Stock.

The Nature of theſe Arguments hath drawn this Diſcourſe to a greater length than intended, and run it beyond the Bounds of an ordinary Letter: I have done it in Obedience to your Commands, therefore you muſt be anſwerable for all the Errors and Failings therein. I ſubmit all to your better Judgment, and am

SIR,

Your Humble Servant.

FINIS.